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#### IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:

Hixon et al.

**Serial No.:** 10/718,852

Filed: November 20, 2003

For: DIE CUTTING SYSTEM, COMPONENTS THEREOF, AND

**METHODS** 

Confirmation No.: 1905

Examiner: S. Choi

Group Art Unit: 3724

Attorney Docket No.: 2916-4842.1US

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#### **DECLARATION OF ERIC J. RUFF**

Commissioner for Patents P.O. Box 1450 Alexandria, VA 22313-1450

Sir:

I, Eric J. Ruff, declare that:

- 1. I am over twenty-one years of age and competent to give sworn testimony.
- 2. I am the President and C.E.O. of QuicKutz, Inc., (hereinafter "QuicKutz") a corporation organized under the laws of the State of Utah. I have served in that capacity at QuicKutz since its organization on September 5, 2001.

3. U.S. Patent Application Serial No. 10/718,852 (hereinafter the '852 Application) has been assigned to QuicKutz, the assignment having been recorded with the U.S. Patent & Trademark Office at Reel No. 013271, Frame No. 0566.

#### **Commercial Success**

- 4. In 2002, QuicKutz released to the U.S. market a portable personal die cutting system using substantially rigid chemically etched dies of the type recited in the claims of the '852 Application.
- 5. In 2002, QuicKutz's first full year of operation, approximately \$236,000 was expended on advertising, which included advertising for its chemically etched dies. The advertising included printed advertisements in scrapbooking publications, a printed catalog that was made available in retail stores that sold QuicKutz products, development of a website, updates and maintenance to the website, and expenses associated with trade shows. Extensive of word-of-mouth advertising, at no cost to QuicKutz, also occurred during 2002.
- 6. Between May 1, 2002, and December 31, 2002, QuicKutz sold approximately 439,000 dies of the type recited in the claims of the '852 Application. This sales volume amounted to approximately \$1,917,000 in gross revenues for QuicKutz during 2002, not including die cutting tools that were sold for use with the dies. (In 2002, most of QuicKutz's die cutting tools were sold in kits that included a set of dies, and the \$1,917,000 figure involves an allocation of the purchase price of such kits between the tool and the dies.)
- 7. Total revenues during 2002 that were attributable to QuicKutz's portable personal die cutting tools and the dies designed for use therewith amounted to approximately \$2,381,000, representing approximately a 10x return on QuicKutz's 2002 investment in advertising.
- 8. QuicKutz spent approximately \$199,000 on advertising in 2003. Again, such advertising included expenses relating to trade shows, updates to and maintenance of QuicKutz's website, catalogs, and printed advertisements in scrapbooking magazines. Again, extensive of word-of-mouth advertising, at no cost to QuicKutz, occurred during 2003.
- 9. In 2003, QuicKutz sold approximately 2,127,000 dies of the type recited in the claims of the '852 Application, which amounted to gross sales of approximately \$7,449,000, not including die cutting tools that were sold for use with the dies. (Again, many tools were sold in kits, and the \$7,449,000 figure involves an allocation of the purchase price of such kits between the tool and the dies included therein.)

- 10. Total revenues during 2003 that were attributable to QuicKutz's portable personal die cutting tools and the dies designed for use therewith amounted to approximately \$8,907,000, representing approximately a 45x return on QuicKutz's 2003 investment in advertising.
- 11. Through June 30, 2004, QuicKutz has spent approximately \$301,000 on advertising, including expenses relating to trade shows, printing costs for new catalogs, costs associated with advertisements in scrapbooking magazines, and continued updates to and QuicKutz's website. Extensive of word-of-mouth advertising, at no cost to QuicKutz, has also occurred during 2004
- During the first six months of 2004, QuicKutz sold approximately 1,705,000 of its dies of the type recited in the claims of the '852 Application. Its gross sales of dies amounted to approximately \$4,795,000, not including sales from tools that were sold for use with the dies.
- 13. Total revenues during the first six months of 2004 that were attributable to QuicKutz's portable personal die cutting tools and the dies designed for use therewith amounted to approximately \$5,328,000, representing approximately an 18x return on QuicKutz's 2004 investment in advertising.
- 14. These numbers show the commercial success of dies that fall within the scope of the claims of the '852 Application. Sales figures including tool sales are considered to be indicative of the commercial success of QuicKutz's rigid chemically etched dies, because all of QuicKutz's advertising has promoted both its dies and the portable personal die cutting system in which they are used.

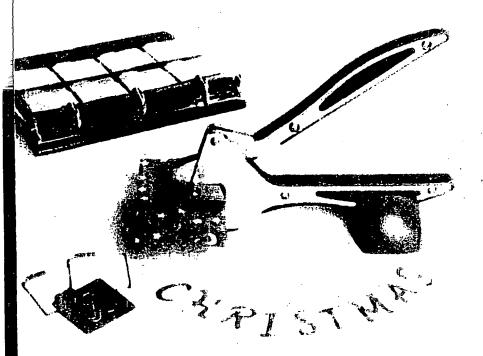
#### Long-Felt Need

15. Shortly after QuicKutz introduced its portable personal die cutting system into the market, many customers and commentators observed that the QuicKutz dies uniquely satisfied a need that had not previously been met in the scrapbooking industry. The attached Exhibit A is a sampling of magazine articles to that effect, including (i) an announcement/review printed in the November/December 2002 issue of *Memory Makers* magazine, observing that the QuicKutz dies make possible "more intricate, cleaner design cuts;" (ii) a review printed in the April/May 2003 issue of *PaperKuts* magazine noting the solid demand for die cuts and stating that the QuicKutz dies deliver "the sharp, crisp look of store cut dies" in a personal die cutting system that can be used "in the comfort of your own home"; (iii) an article in the 2003 issue of *Scrapbooking Top 50*, published by Memory Makers, highlighting the portability advantages of the QuicKutz dies by implying that 80 of them weigh about a pound.

- 16. Shortly after QuicKutz introduced its substantially rigid chemically etched dies into the market, several competitors began offering similar dies as well as die cutting tools that could use such dies.
- 17. In the fall of 2003, Sizzix, a joint venture between Ellison Educational Equipment, Inc., and Provo Craft and Novelty Inc., began selling an adapter for its portable die cutting tool that permitted the Sizzix tool to use rigid substantially planar dies similar to those described in the '852 Application. The attached Exhibit B is a print-out of one of Sizzix's Internet web pages, advertising the desirability of a portable personal die cutting system that uses rigid substantially planar dies.
- 18. A month or two later, a company known as DayCo, which has since been acquired by AccuCut Systems, began selling a portable die cutting tool, including an adapter that allows the AccuCut tool to use rigid substantially planar dies similar to those described in the '852 Application. The attached Exhibit C is a print-out of one of AccuCut's Internet web pages, advertising the desirability of a portable personal die cutting system, including the ability to use rigid "wafer-thin" dies.
- 19. These facts indicate the existence of a long-felt and continuing need in the scrapbooking, hobby, and related industries for a personal die cutting system that uses dies of a type described in the claims of the '852 Application.

I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true, and further that these statements are made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that willful false statements may jeopardize the validity of the application or any patent issuing thereon.

Dated this 30 day of July, 2004.



#### quickutz personal die-cutting system

Here's one for the wish list: the QuicKutz (888-702-1146

• quickutz.com) new personal die-cutting system. This gadget offers portability, ease and speed of use, more alphabet options with shadow letters and more intricate, cleaner design cuts.

in the fall of 2000, Natasha Hixon grew frustrated with the time-consuming task of cutting out letters. After researching some options, she and her husband, Mark, developed a complete die-cutting system that can fit in your purse or crop bag and cut up to 100 shapes in one minutel

Weighing less than two pounds, the basic system, called the Essential Kit, consists of a hand press and cradle in which to rest it, a complete alphabet set, plus two punctuation dies, three shapes and a storage binder. \$200-\$320



#### stocking stuffer

Does this cute till thing remind you of a scrapbooker you know? She would if she had blond heir, you say? Not a problem, Critter Crafts (949-858-6271 • scrapbuologificom) can customize these ornaments with hair color and siyle, skin tone and even ethnicity. Each one is handcrafted so no two are exactly alike. \$15, plus s & h



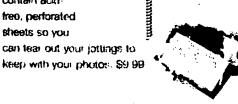
### heritage stickers

Dorothy's Memories, a new line of heritage stickers from Tumblebeasts (505-323-5554 • tumblebeasts.com), fill photographic gaps or embellish pages with visions of Grandma's kitchen, vintage clothing and antique toys. The line takes its name from Tumblebeasts' owner Karen Stockham's own grandmother, Dorothy. Karen wanted to create realistic images with a playful touch. \$1.85 per sheet

### L jot this down

A trusy morn keeps journaling wort totoits on anything she can find, be dicatendar or the grocery list. Weeks lathet same busy morn goes mits trying collect all the bits and pieces for her scrapbook pages. If this sounds familiar, Jotters A trusy morn keeps journaling worthy ) tiolbits on anything she can find, tie # the calendar or the grocery list. Weeks later, that same busy morn goes reits trying to

jotters.net) may be for you. The journals are compact and contain acidfreo, perforated sheets so you can tear out your jottings to



# Portable Die Cutting the Quickutz Way

Some things are simply destined to go together—apple pie and ice cream, Jack and Jill, scrapbooking and die cuts.

Die cuts have been around almost since the beginning of the scrapbooking craze, and the fact that they are still a major element of scrapbooking today attests to the value of this wonderful creative option. However, everyone knows that there is always room for improvement—or at least that's what the people at QuicKutz believe.

Utah-based QuicKutz produces and markets the latest and greatest in personal die cutting systems—a portable approach that delivers the sharp, crisp look of store die cuts in the comfort of your own home. The

QuicKutz system includes the QuicKutz Hand Tool (or press), which weighs less than two pounds and is roughly ten inches long (see Figure 1), and QuicKutz. Pocket Dies, which are two inches square, thinner than a credit card, and stored in convenient, compact custom-designed binders (see Figure 1). Although small, the system is superior—the dies are made of solid steel and will last a lifetime, and the hand tool is a carefully engineered, precision instrument.

QuicKutz offer an impressive variety of alphabets (see Figure 2)—nine different styles (more than any other personal die-cutting system) available in 1 1/4" letters; five of the styles are also available in a mini (5/8") size. All of the QuicKutz alphabets have matching numbers and punctuation, and six of the nine have matching shadows. In addition, QuicKutz has more than 175 different die cut shapes (see Figure 1) Currently, the company releases new shapes every month and a new alphabet every quarter.

The QuicKutz System was designed to be durable, portable, easy to use, and easy

ture frames, and more.

to store. Made entirely in the United States, QuicKutz is the only such system with a limited lifetime warranty. QuicKutz

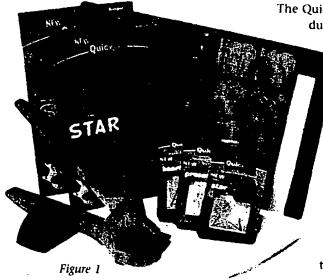
ed lifetime warranty. QuicKutz dies make tens of thousands of cuts, all with the same sharp, clean quality as the first. And QuicKutz can be used for a wide variety of uses, including scrapbooking (see Figure 3), greeting cards, gift bags and boxes, pic-

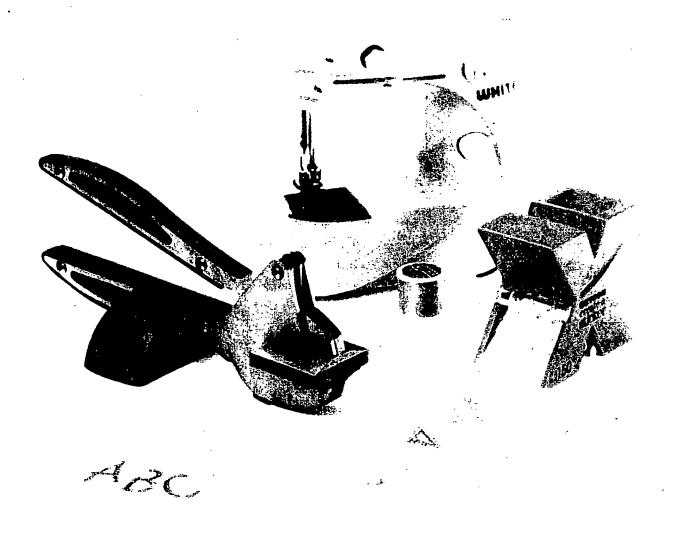
Using die cut letters, numbers, and shapes has never been easier, quicker, or more fun. But the best part about QuicKutz is not only do scrapbookers enjoy amazing variety, impressive versatility, and superior quality, they get it in a package so small that they can literally take it with them—anytime, anywhere.



STAR
ROXY
GIDGET
HONEY
KHAKI
VEHUS
ZELDA
Sonja
Marisa

Figure 2





## scrapbooking top 50 mini mechanisms

"SCRAPBOOKING MEANS TAKING IT WITH YOU," says Amelia Parkin, public relations specialist and events coordinator for QuicKutz, Inc. "And if you're like me, it means wanting to take it all with you." That feeling is the driving force behind the trend to downsize—everything is getting smaller, from die-cutting machines to sewing machines. Manufacturers are saying, "You can take it with you." Last year, QuicKutz introduced a personal die-cutting system (shown above) weighing less than two pounds. Add 80 dies to reach three pounds. Compact equals portable equals practical, Amelia says.

"Several reasons exist for why smaller is appealing," says Major Maddon, Provo Craft's vice president of marketing. "It's cute, it represents ease and it's portable." Provo Craft-also minimized by introducing the Sizzix personal die-cutting system.

Other companies following suit are Xyron and White Sewing. The Xyron 150 (shown above) makes stickers no wider than 1½", while the Sew Cute (shown above) sewing machine can handle most big sewing jobs at a fraction of the size and weight. It's battery operated, so it's totally portable.



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dies but has now evolved into a whole lot more. Giving crafters and vision of Sizzix started as a personal die-cutting system and line of

Crafting at home is now a whole lot easier and a lot more fun. The

Shaping the Future of Creativity

functionality of Sizzix brand products allows crafters to create right

enhance any scrapbook page, greeting card or craft project is the

perfect solution to the creative community. The design and

scrapbookers an inexpensive and simple way to embellish and

school, scrapbooking event or friends house. Sizzix brand products are quickly becoming a complete crafting system of integrated and

in the convenience of their own home or take on the road to a

Readers' Choice Award for Die-Cut Equipment Back to Back Winner Creating Keepsakes 2003 - 2004

# Sizzix

















The Sizzix brand and product line was co-developed by two

systems all to help you create easier and faster than ever before. patented dies, embossing folders, punches, papers and storage

companies that crafters look to first for innovative products and creative ideas. Ellison and Provo Craft knew that crafters wanted an affordable solution to creating die-cut designs and embellishments in their homes. Using Ellison's popular die-cutting machine design, the two companies developed a smaller, lighter, portable version. The Sizzix Machine's simple, straightforward design makes creating projects easy and fun for every crafter.

The original line of Sizzix dies includes hundreds of creative shapes for every event, holiday or occasion. In addition, Sizzix has a selection of alphabets, numbers and punctuation to add titles and words to your crafting projects. The original dies can cut a variety of materials such as paper, rubber, and fabric for every craft from scrapbooking, rubber-stamping or quilting. In fact, the Sizzix diecutting system can cut up to three sheets of paper at once, resulting in perfect, clean cuts every time.

During the fall of 2003, the Sizzix brand introduced two new products, which work in the Sizzix Machine. Both new products require the use of a Sizzix System Converter. Sizzix product users can now get the added benefits of Sizzlits low profile dies and Simple Impressions Embossing Folders. Each unique in their design and patented in their functionality. The Simple Impressions Embossing Folders take the time and fuss out of embossing while leaving you with that beautiful, classy end result of embossed paper or metal in just seconds. The folders use a positive and negative of each design shape to sandwich your embossing material in between the folder while you press in your Sizzix Machine.

Sizzlits are a thin lightweight and portable die that is perfect for crafters on the go. Available in an easy to use storage case, you will love this die addition to the line. Extremely economical and easy to use these dies cut single sheets of card stock into detailed, decorative shapes for your next scrapbook, card or craft project.

Another innovative and clever idea from the Sizzix brand is the PaddlePunch. This new product works outside of the Sizzix Machine but addresses and overcomes the age-old issues with the

limitations of craft punches and their inability to punch in the middle of a page or only through thin paper. By using similar steel as in the original dies and a special hammer, crafters can add that decorative shape anyplace they want on hundreds of kinds of materials.

So if you are looking for inspiration, visit the Sizzix.com Web Site often – a virtual crafting community. It's chock full of ideas, projects and tips to satisfy the craftiest of crafters. Sign-up for The Sizzix.com Scoop monthly e-mail newsletter, and keep up-to-date with the latest and greatest in die-cutting and crafts.

Sizzix brand products can be purchased from thousands of craft stores around the United States and abroad as well as at www.sizzix.com and www.creativexpress.com. For more information, contact Sizzix.com toll free at 1-877-355-4766.

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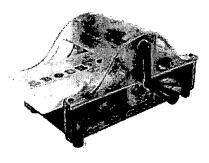


#### AccuCut Re-Introduces DayCo Personal Die Cutter

Click here for a high resolution images for use with this article.

(Fremont, Neb.—July 16, 2004)—As a result of its recent acquisition of DayCo (a former competitor), AccuCut Systems re-introduced DayCo's Zip'eMate™ Personal Die Cutter as one of its own products. The machine will replace the AccuCut® Mini Machine, which is being phased out.

"The AccuCut® Zip'eMate™ machine has gone through rigorous quality testing to deliver a product synonymous with AccuCut," said product manager Cheyanne Atchley. "We are thrilled to introduce the double-roller personal die cutting machine as AccuCut's primary personal sized machine, and excited about offering this product to our customers as a fitting addition to the AccuCut line."



The Zip'eMate machine is the only personal die cutting machine that offers roller technology. It includes two gear-driven rollers that draw dies through the machine with minimal effort from the operator. As with all AccuCut machines, pressure is preset and applied by the machine itself rather than the operator. This provides a consistent cutting experience and eliminates the need to guess how hard to press, as with lever-operated machines.

In addition to cutting shapes, the Zip'eMate machine embosses any AccuCut shape, and will also emboss pre-purchased brass stencils. The machine is available in the four colors: purple, red, green and blue. With the use of a variety of cutting platforms and mats, the machine is compatible with all major dies on the market, including commercial dies, thin wood or plastic dies, and wafer-thin metal dies.

Consumers are encouraged to ask their local retailers about the AccuCut® Zip'eMate™ Personal Die Cutting Machine. Retailers may call 800-288-1670 to order, or order online at <a href="https://www.accucut.com">www.accucut.com</a>.

AccuCut Systems was established in 1990 as a provider of shape and letter cutting products for retail craft stores, professional designers, craft enthusiasts and the educational market. The company's focus is on making craft and educational experiences fun and rewarding. AccuCut is a multi-winner of *Creating Keepsakes* magazine's Readers' Choice Award for best die cutting equipment, and the Primedia Award of Excellence. Visit AccuCut online at <a href="https://www.accucut.com">www.accucut.com</a>.